



## Senate

General Assembly

**File No. 428**

January Session, 2011

Substitute Senate Bill No. 1141

*Senate, April 6, 2011*

The Committee on Energy and Technology reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### **AN ACT CONCERNING NET METERING.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 16-1 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (a) Terms used in this title and in chapters 244, 244a, 244b, 245, 245a  
5 and 245b shall be construed as follows, unless another meaning is  
6 expressed or is clearly apparent from the language or context:

7 (1) "Authority" means the Public Utilities Control Authority and  
8 "department" means the Department of Public Utility Control;

9 (2) "Commissioner" means a member of said authority;

10 (3) "Commissioner of Transportation" means the Commissioner of  
11 Transportation appointed under section 13b-3;

12       (4) "Public service company" includes electric, electric distribution,  
13 gas, telephone, telegraph, pipeline, sewage, water and community  
14 antenna television companies and holders of a certificate of cable  
15 franchise authority, owning, leasing, maintaining, operating,  
16 managing or controlling plants or parts of plants or equipment, and all  
17 express companies having special privileges on railroads within this  
18 state, but shall not include telegraph company functions concerning  
19 intrastate money order service, towns, cities, boroughs, any municipal  
20 corporation or department thereof, whether separately incorporated or  
21 not, a private power producer, as defined in section 16-243b, or an  
22 exempt wholesale generator, as defined in 15 USC 79z-5a;

23       (5) "Plant" includes all real estate, buildings, tracks, pipes, mains,  
24 poles, wires and other fixed or stationary construction and equipment,  
25 wherever located, used in the conduct of the business of the company;

26       (6) "Railroad company" includes every person owning, leasing,  
27 maintaining, operating, managing or controlling any railroad, or any  
28 cars or other equipment employed thereon or in connection therewith,  
29 for public or general use within this state;

30       (7) "Street railway company" includes every person owning, leasing,  
31 maintaining, operating, managing or controlling any street railway, or  
32 any cars or other equipment employed thereon or in connection  
33 therewith, for public or general use within this state;

34       (8) "Electric company" includes, until an electric company has been  
35 unbundled in accordance with the provisions of section 16-244e, every  
36 person owning, leasing, maintaining, operating, managing or  
37 controlling poles, wires, conduits or other fixtures, along public  
38 highways or streets, for the transmission or distribution of electric  
39 current for sale for light, heat or power within this state, or, engaged in  
40 generating electricity to be so transmitted or distributed for such  
41 purpose, but shall not include (A) a private power producer, as  
42 defined in section 16-243b, (B) an exempt wholesale generator, as  
43 defined in 15 USC 79z-5a, (C) a municipal electric utility established  
44 under chapter 101, (D) a municipal electric energy cooperative

45 established under chapter 101a, (E) an electric cooperative established  
46 under chapter 597, or (F) any other electric utility owned, leased,  
47 maintained, operated, managed or controlled by any unit of local  
48 government under any general statute or any public or special act;

49 (9) "Gas company" includes every person owning, leasing,  
50 maintaining, operating, managing or controlling mains, pipes or other  
51 fixtures, in public highways or streets, for the transmission or  
52 distribution of gas for sale for heat or power within this state, or  
53 engaged in the manufacture of gas to be so transmitted or distributed  
54 for such purpose, but shall not include a person manufacturing gas  
55 through the use of a biomass gasification plant provided such person  
56 does not own, lease, maintain, operate, manage or control mains, pipes  
57 or other fixtures in public highways or streets, a municipal gas utility  
58 established under chapter 101 or any other gas utility owned, leased,  
59 maintained, operated, managed or controlled by any unit of local  
60 government under any general statute or any public or special act;

61 (10) "Water company" includes every person owning, leasing,  
62 maintaining, operating, managing or controlling any pond, lake,  
63 reservoir, stream, well or distributing plant or system employed for  
64 the purpose of supplying water to fifty or more consumers. A water  
65 company does not include homeowners, condominium associations  
66 providing water only to their members, homeowners associations  
67 providing water to customers at least eighty per cent of whom are  
68 members of such associations, a municipal waterworks system  
69 established under chapter 102, a district, metropolitan district,  
70 municipal district or special services district established under chapter  
71 105, chapter 105a or any other general statute or any public or special  
72 act which is authorized to supply water, or any other waterworks  
73 system owned, leased, maintained, operated, managed or controlled  
74 by any unit of local government under any general statute or any  
75 public or special act;

76 (11) "Consumer" means any private dwelling, boardinghouse,  
77 apartment, store, office building, institution, mechanical or

78 manufacturing establishment or other place of business or industry to  
79 which water is supplied by a water company;

80 (12) "Sewage company" includes every person owning, leasing,  
81 maintaining, operating, managing or controlling, for general use in any  
82 town, city or borough, or portion thereof, in this state, sewage disposal  
83 facilities which discharge treated effluent into any waterway of this  
84 state;

85 (13) "Pipeline company" includes every person owning, leasing,  
86 maintaining, operating, managing or controlling mains, pipes or other  
87 fixtures through, over, across or under any public land, water,  
88 parkways, highways, parks or public grounds for the transportation,  
89 transmission or distribution of petroleum products for hire within this  
90 state;

91 (14) "Community antenna television company" includes every  
92 person owning, leasing, maintaining, operating, managing or  
93 controlling a community antenna television system, in, under or over  
94 any public street or highway, for the purpose of providing community  
95 antenna television service for hire and shall include any municipality  
96 which owns or operates one or more plants for the manufacture or  
97 distribution of electricity pursuant to section 7-213 or any special act  
98 and seeks to obtain or obtains a certificate of public convenience and  
99 necessity to construct or operate a community antenna television  
100 system pursuant to section 16-331 or a certificate of cable franchise  
101 authority pursuant to section 16-331q. "Community antenna television  
102 company" does not include a certified competitive video service  
103 provider;

104 (15) "Community antenna television service" means (A) the one-way  
105 transmission to subscribers of video programming or information that  
106 a community antenna television company makes available to all  
107 subscribers generally, and subscriber interaction, if any, which is  
108 required for the selection of such video programming or information,  
109 and (B) noncable communications service. "Community antenna  
110 television service" does not include video service provided by a

111 certified competitive video service provider;

112 (16) "Community antenna television system" means a facility,  
113 consisting of a set of closed transmission paths and associated signal  
114 generation, reception and control equipment that is designed to  
115 provide community antenna television service which includes video  
116 programming and which is provided in, under or over any public  
117 street or highway, for hire, to multiple subscribers within a franchise,  
118 but such term does not include (A) a facility that serves only to  
119 retransmit the television signals of one or more television broadcast  
120 stations; (B) a facility that serves only subscribers in one or more  
121 multiple unit dwellings under common ownership, control or  
122 management, unless such facility is located in, under or over a public  
123 street or highway; (C) a facility of a common carrier which is subject, in  
124 whole or in part, to the provisions of Subchapter II of Chapter 5 of the  
125 Communications Act of 1934, 47 USC 201 et seq., as amended, except  
126 that such facility shall be considered a community antenna television  
127 system and the carrier shall be considered a public service company to  
128 the extent such facility is used in the transmission of video  
129 programming directly to subscribers; or (D) a facility of an electric  
130 company which is used solely for operating its electric company  
131 systems. "Community antenna television system" does not include a  
132 facility used by a certified competitive video service provider to  
133 provide video service;

134 (17) "Video programming" means programming provided by, or  
135 generally considered comparable to programming provided by, a  
136 television broadcast station;

137 (18) "Noncable communications service" means any  
138 telecommunications service, as defined in section 16-247a, and which is  
139 not included in the definition of "cable service" in the Communications  
140 Act of 1934, 47 USC 522, as amended. Nothing in this definition shall  
141 be construed to affect service which is both authorized and preempted  
142 pursuant to federal law;

143 (19) "Public service motor vehicle" includes all motor vehicles used

144 for the transportation of passengers for hire;

145 (20) "Motor bus" includes any public service motor vehicle operated  
146 in whole or in part upon any street or highway, by indiscriminately  
147 receiving or discharging passengers, or operated on a regular route or  
148 over any portion thereof, or operated between fixed termini, and any  
149 public service motor vehicle operated over highways within this state  
150 between points outside this state or between points within this state  
151 and points outside this state;

152 (21) "Cogeneration technology" means the use for the generation of  
153 electricity of exhaust steam, waste steam, heat or resultant energy from  
154 an industrial, commercial or manufacturing plant or process, or the use  
155 of exhaust steam, waste steam or heat from a thermal power plant for  
156 an industrial, commercial or manufacturing plant or process, but shall  
157 not include steam or heat developed solely for electrical power  
158 generation;

159 (22) "Renewable fuel resources" means energy sources described in  
160 subdivisions (26) and (27) of this subsection;

161 (23) "Telephone company" means a telecommunications company  
162 that provides one or more noncompetitive or emerging competitive  
163 services, as defined in section 16-247a;

164 (24) "Domestic telephone company" includes any telephone  
165 company which has been chartered by or organized or constituted  
166 within or under the laws of this state;

167 (25) "Telecommunications company" means a person that provides  
168 telecommunications service, as defined in section 16-247a, within the  
169 state, but shall not mean a person that provides only (A) private  
170 telecommunications service, as defined in section 16-247a, (B) the  
171 one-way transmission of video programming or other programming  
172 services to subscribers, (C) subscriber interaction, if any, which is  
173 required for the selection of such video programming or other  
174 programming services, (D) the two-way transmission of educational or

175 instructional programming to a public or private elementary or  
176 secondary school, or a public or independent institution of higher  
177 education, as required by the department pursuant to a community  
178 antenna television company franchise agreement, or provided  
179 pursuant to a contract with such a school or institution which contract  
180 has been filed with the department, or (E) a combination of the services  
181 set forth in subparagraphs (B) to (D), inclusive, of this subdivision;

182 (26) "Class I renewable energy source" means (A) energy derived  
183 from solar power, wind power, a fuel cell, methane gas from landfills,  
184 ocean thermal power, wave or tidal power, low emission advanced  
185 renewable energy conversion technologies, a run-of-the-river  
186 hydropower facility provided such facility has a generating capacity of  
187 not more than five megawatts, does not cause an appreciable change in  
188 the river flow, and began operation after July 1, 2003, or a sustainable  
189 biomass facility with an average emission rate of equal to or less than  
190 .075 pounds of nitrogen oxides per million BTU of heat input for the  
191 previous calendar quarter, except that energy derived from a  
192 sustainable biomass facility with a capacity of less than five hundred  
193 kilowatts that began construction before July 1, 2003, may be  
194 considered a Class I renewable energy source, or (B) any electrical  
195 generation, including distributed generation, generated from a Class I  
196 renewable energy source;

197 (27) "Class II renewable energy source" means energy derived from  
198 a trash-to-energy facility, a biomass facility that began operation before  
199 July 1, 1998, provided the average emission rate for such facility is  
200 equal to or less than .2 pounds of nitrogen oxides per million BTU of  
201 heat input for the previous calendar quarter, or a run-of-the-river  
202 hydropower facility provided such facility has a generating capacity of  
203 not more than five megawatts, does not cause an appreciable change in  
204 the riverflow, and began operation prior to July 1, 2003;

205 (28) "Electric distribution services" means the owning, leasing,  
206 maintaining, operating, managing or controlling of poles, wires,  
207 conduits or other fixtures along public highways or streets for the

208 distribution of electricity, or electric distribution-related services;

209 (29) "Electric distribution company" or "distribution company"  
210 means any person providing electric transmission or distribution  
211 services within the state, including an electric company, subject to  
212 subparagraph (F) of this subdivision, but does not include: (A) A  
213 private power producer, as defined in section 16-243b; (B) a municipal  
214 electric utility established under chapter 101, other than a participating  
215 municipal electric utility; (C) a municipal electric energy cooperative  
216 established under chapter 101a; (D) an electric cooperative established  
217 under chapter 597; (E) any other electric utility owned, leased,  
218 maintained, operated, managed or controlled by any unit of local  
219 government under any general statute or special act; (F) after an  
220 electric company has been unbundled in accordance with the  
221 provisions of section 16-244e, a generation entity or affiliate of the  
222 former electric company; or (G) an electric supplier;

223 (30) "Electric supplier" means any person, including an electric  
224 aggregator or participating municipal electric utility that is licensed by  
225 the Department of Public Utility Control in accordance with section  
226 16-245, that provides electric generation services to end use customers  
227 in the state using the transmission or distribution facilities of an  
228 electric distribution company, regardless of whether or not such  
229 person takes title to such generation services, but does not include: (A)  
230 A municipal electric utility established under chapter 101, other than a  
231 participating municipal electric utility; (B) a municipal electric energy  
232 cooperative established under chapter 101a; (C) an electric cooperative  
233 established under chapter 597; (D) any other electric utility owned,  
234 leased, maintained, operated, managed or controlled by any unit of  
235 local government under any general statute or special act; or (E) an  
236 electric distribution company in its provision of electric generation  
237 services in accordance with subsection (a) or, prior to January 1, 2004,  
238 subsection (c) of section 16-244c;

239 (31) "Electric aggregator" means (A) a person, municipality or  
240 regional water authority that gathers together electric customers for



241 the purpose of negotiating the purchase of electric generation services  
242 from an electric supplier, or (B) the Connecticut Resources Recovery  
243 Authority, if it gathers together electric customers for the purpose of  
244 negotiating the purchase of electric generation services from an electric  
245 supplier, provided such person, municipality or authority is not  
246 engaged in the purchase or resale of electric generation services, and  
247 provided further such customers contract for electric generation  
248 services directly with an electric supplier, and may include an electric  
249 cooperative established pursuant to chapter 597;

250 (32) "Electric generation services" means electric energy, electric  
251 capacity or generation-related services;

252 (33) "Electric transmission services" means electric transmission or  
253 transmission-related services;

254 (34) "Generation entity or affiliate" means a corporate affiliate or, as  
255 provided in subdivision (3) of subsection (a) of section 16-244e, a  
256 separate division of an electric company after unbundling has occurred  
257 pursuant to section 16-244e, that provides electric generation services;

258 (35) "Participating municipal electric utility" means a municipal  
259 electric utility established under chapter 101 or any other electric  
260 utility owned, leased, maintained, operated, managed or controlled by  
261 any unit of local government under any general statute or any public  
262 or special act, that is authorized by the department in accordance with  
263 section 16-245c to provide electric generation services to end use  
264 customers outside its service area, as defined in section 16-245c;

265 (36) "Person" means an individual, business, firm, corporation,  
266 association, joint stock association, trust, partnership or limited  
267 liability company;

268 (37) "Regional independent system operator" means the "ISO - New  
269 England, Inc.", or its successor organization as approved by the  
270 Federal Energy Regulatory Commission;

271 (38) "Certified telecommunications provider" means a person

272 certified by the department to provide intrastate telecommunications  
273 services, as defined in section 16-247a, pursuant to sections 16-247f to  
274 16-247h, inclusive;

275 (39) "Gas registrant" means a person registered to sell natural gas  
276 pursuant to section 16-258a;

277 (40) "Customer-side distributed resources" means (A) the generation  
278 of electricity from a unit with a rating of not more than sixty-five  
279 megawatts on the premises of a retail end user within the transmission  
280 and distribution system including, but not limited to, fuel cells,  
281 photovoltaic systems or small wind turbines, or (B) a reduction in the  
282 demand for electricity on the premises of a retail end user in the  
283 distribution system through methods of conservation and load  
284 management, including, but not limited to, peak reduction systems  
285 and demand response systems;

286 (41) "Federally mandated congestion charges" means any cost  
287 approved by the Federal Energy Regulatory Commission as part of  
288 New England Standard Market Design including, but not limited to,  
289 locational marginal pricing, locational installed capacity payments, any  
290 cost approved by the Department of Public Utility Control to reduce  
291 federally mandated congestion charges in accordance with section 7-  
292 233y, this section, sections 16-19ss, 16-32f, 16-50i, 16-50k, 16-50x, 16-  
293 243i to 16-243q, inclusive, 16-244c, 16-244e, 16-245m, 16-245n and 16-  
294 245z, and section 21 of public act 05-1 of the June special session and  
295 reliability must run contracts;

296 (42) "Combined heat and power system" means a system that  
297 produces, from a single source, both electric power and thermal energy  
298 used in any process that results in an aggregate reduction in electricity  
299 use;

300 (43) "Grid-side distributed resources" means the generation of  
301 electricity from a unit with a rating of not more than sixty-five  
302 megawatts that is connected to the transmission or distribution system,  
303 which units may include, but are not limited to, units used primarily to

304 generate electricity to meet peak demand;

305 (44) "Class III source" means the electricity output from combined  
306 heat and power systems with an operating efficiency level of no less  
307 than fifty per cent that are part of customer-side distributed resources  
308 developed at commercial and industrial facilities in this state on or  
309 after January 1, 2006, a waste heat recovery system installed on or after  
310 April 1, 2007, that produces electrical or thermal energy by capturing  
311 preexisting waste heat or pressure from industrial or commercial  
312 processes, or the electricity savings created in this state from  
313 conservation and load management programs begun on or after  
314 January 1, 2006;

315 (45) "Sustainable biomass" means biomass that is cultivated and  
316 harvested in a sustainable manner. "Sustainable biomass" does not  
317 mean construction and demolition waste, as defined in section 22a-  
318 208x, finished biomass products from sawmills, paper mills or stud  
319 mills, organic refuse fuel derived separately from municipal solid  
320 waste, or biomass from old growth timber stands, except where (A)  
321 such biomass is used in a biomass gasification plant that received  
322 funding prior to May 1, 2006, from the Renewable Energy Investment  
323 Fund established pursuant to section 16-245n, or (B) the energy  
324 derived from such biomass is subject to a long-term power purchase  
325 contract pursuant to subdivision (2) of subsection (j) of section 16-244c  
326 entered into prior to May 1, 2006, (C) such biomass is used in a  
327 renewable energy facility that is certified as a Class I renewable energy  
328 source by the department until such time as the department certifies  
329 that any biomass gasification plant, as defined in subparagraph (A) of  
330 this subdivision, is operational and accepting such biomass, in an  
331 amount not to exceed one hundred forty thousand tons annually, is  
332 used in a renewable energy facility that was certified as a Class I  
333 renewable energy source by the department prior to December 31,  
334 2007, and uses biomass, including construction and demolition waste  
335 as defined in section 22a-208x, from a Connecticut-sited transfer  
336 station and volume-reduction facility that generated biomass during  
337 calendar year 2007 that was used during calendar year 2007 to

338 generate Class I renewable energy certificates, or (D) in the event there  
339 is no facility as described in subparagraph (A) or (C) of this  
340 subdivision accepting such biomass, in an amount not to exceed one  
341 hundred forty thousand tons annually, is used in one or more other  
342 renewable energy facilities certified either as a Class I or Class II  
343 renewable energy source by the department, provided such facilities  
344 use biomass, including construction and demolition waste as defined  
345 in said section 22a-208x, from a Connecticut-sited transfer station and  
346 volume-reduction facility that generated biomass during calendar year  
347 2007 that was used during calendar year 2007 to generate Class I  
348 renewable energy certificates. Notwithstanding the provisions of  
349 subparagraphs (C) and (D) of this subdivision, the amount of biomass  
350 specified in said subparagraphs shall not apply to a biomass  
351 gasification plant, as defined in subparagraph (A) of this subdivision;

352 (46) "Video service" means video programming services provided  
353 through wireline facilities, a portion of which are located in the public  
354 right-of-way, without regard to delivery technology, including Internet  
355 protocol technology. "Video service" does not include any video  
356 programming provided by a commercial mobile service provider, as  
357 defined in 47 USC 332(d), any video programming provided as part of  
358 community antenna television service in a franchise area as of October  
359 1, 2007, any video programming provided as part of and via a service  
360 that enables users to access content, information, electronic mail or  
361 other services over the public Internet;

362 (47) "Certified competitive video service provider" means an entity  
363 providing video service pursuant to a certificate of video franchise  
364 authority issued by the department in accordance with section 16-331e.  
365 "Certified competitive video service provider" does not mean an entity  
366 issued a certificate of public convenience and necessity in accordance  
367 with section 16-331 or the affiliates, successors and assigns of such  
368 entity or an entity issued a certificate of cable franchise authority in  
369 accordance with section 16-331p or the affiliates, successors and  
370 assignees of such entity;

371 (48) "Certificate of video franchise authority" means an  
372 authorization issued by the Department of Public Utility Control  
373 conferring the right to an entity or person to own, lease, maintain,  
374 operate, manage or control facilities in, under or over any public  
375 highway to offer video service to any subscribers in the state;

376 (49) "Certificate of cable franchise authority" means an authorization  
377 issued by the Department of Public Utility Control pursuant to section  
378 16-331q conferring the right to a community antenna television  
379 company to own, lease, maintain, operate, manage or control a  
380 community antenna television system in, under or over any public  
381 highway to (A) offer community antenna television service in a  
382 community antenna television company's designated franchise area, or  
383 (B) use the public rights-of-way to offer video service in a designated  
384 franchise area. The certificate of cable franchise authority shall be  
385 issued as an alternative to a certificate of public convenience and  
386 necessity pursuant to section 16-331 and shall only be available to a  
387 community antenna television company under the terms specified in  
388 sections 16-331q to 16-331aa, inclusive;

389 (50) "Thermal energy transportation company" means any person  
390 authorized under any provision of the general statutes or special act to  
391 furnish heat or air conditioning or both, by means of steam, heated or  
392 chilled water or other medium, to lay and maintain mains, pipes or  
393 other conduits, and to erect such other fixtures necessary or convenient  
394 in and on the streets, highways and public grounds of any  
395 municipality to carry steam, heated or chilled water or other medium  
396 from such plant to the location to be served and to return the same;  
397 [and]

398 (51) "The Connecticut Television Network" means the General  
399 Assembly's state-wide twenty-four-hour state public affairs  
400 programming service, separate and distinct from community access  
401 channels;

402 (52) "Beneficial account" means an in-state retail end user of an  
403 electric distribution company designated by a customer host in such

404 electric distribution company's service area to receive virtual net  
405 metering credits from a virtual net metering facility;

406 (53) "Customer host" means an in-state retail end user of an electric  
407 distribution company that owns a virtual net metering facility and  
408 participates in virtual net metering;

409 (54) "Unassigned virtual net metering credit" means in any given  
410 electric distribution company monthly billing period, a virtual net  
411 metering credit that remains after both the customer host and its  
412 beneficial accounts have been billed for zero kilowatt hours through  
413 virtual net metering;

414 (55) "Virtual net metering" means the process of combining the  
415 electric meter readings and billings, including any virtual net metering  
416 credits, for a customer host and a beneficial account through an electric  
417 distribution company billing process;

418 (56) "Virtual net metering credit" means a credit equal to the retail  
419 cost per kilowatt hour the customer host may have otherwise been  
420 charged for each kilowatt hour produced by a virtual net metering  
421 facility that exceeds the total amount of kilowatt hours used during an  
422 electric distribution company monthly billing period; and

423 (57) "Virtual net metering facility" means a Class I renewable energy  
424 source that: (A) is served by an electric distribution company, owned  
425 by a customer host and serves the electricity needs of the customer  
426 host and not more than five beneficial accounts; (B) is within the same  
427 electric distribution company service territory as the customer host  
428 and its beneficial accounts; and (C) has a nameplate capacity rating of  
429 two megawatts or less.

430 Sec. 2. (NEW) (*Effective from passage*) (a) Each electric distribution  
431 company shall provide virtual net metering to its customers and shall  
432 make any necessary interconnections for a virtual net metering facility.  
433 Upon request by a customer host to implement the provisions of this  
434 section, an electric distribution company shall install metering

435 equipment, if necessary. For each customer host, such metering  
436 equipment shall (1) measure electricity consumed from the electric  
437 distribution company's facilities; (2) deduct the amount of electricity  
438 produced but not consumed; and (3) register, for each monthly billing  
439 period, the net amount of electricity produced and, if applicable,  
440 consumed. If, in a given monthly billing period, a customer host  
441 supplies more electricity to the electric distribution system than the  
442 electric distribution company delivers to the customer host, the electric  
443 distribution company shall bill the customer host for zero kilowatt  
444 hours and assign a virtual net metering credit to the customer host's  
445 beneficial accounts for the next monthly billing period. An electric  
446 distribution company shall only assign virtual net metering credits  
447 until a beneficial account's monthly bill equals zero kilowatt hours.

448 (b) An electric distribution company shall carry forward any  
449 unassigned virtual net metering credits earned by the customer host  
450 from one monthly billing period to the next until the end of the  
451 calendar year. At the end of each calendar year, the electric  
452 distribution company shall compensate the customer host for any  
453 unassigned virtual net metering credits at the retail rate of electric  
454 power generation.

455 (c) At least sixty days before a customer host's virtual net metering  
456 facility becomes operational, the customer host shall provide written  
457 notice to the electric distribution company of its beneficial accounts.  
458 The customer host may change its list of beneficial accounts not more  
459 than once annually by providing another sixty days' written notice.  
460 The customer host shall not designate more than five beneficial  
461 accounts.

462 (d) On or before February 1, 2012, the Department of Public Utility  
463 Control shall conduct a proceeding to develop the administrative  
464 processes and program specifications to implement the provisions of  
465 this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-1(a)
Sec. 2	<i>from passage</i>	New section

**Statement of Legislative Commissioners:**

In section 1(a)(56), "kilowatt hours" was substituted for "electricity" for clarity and internal consistency.

**ET**            *Joint Favorable Subst.-LCO*



The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill, which makes changes to statutes regarding net metering used by electric companies for utility customers, does not result in any anticipated fiscal impact to the state or municipalities.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****sSB 1141*****AN ACT CONCERNING NET METERING.*****SUMMARY**

This bill requires electric companies to provide their customers with virtual net metering and make any needed interconnections, including installing metering equipment, for customers who need it. The bill specifies how (1) the metering equipment must operate and (2) the electric companies must bill those who participate. It also requires the Department of Public Utility Control, by February 1, 2012, to hold a proceeding to develop administrative processes and program specifications to implement the bill.

Current law requires electric utilities to provide equipment and billing for net metering, but not for virtual net metering (CGA § 16-243h). In general, the net metering law allows a customer with an on-site electricity generator powered by a renewable energy resource to earn billing credits from an electric company when the customer generates more power than he or she uses, essentially “running the meter backwards.” “Virtual net metering” allows the customer to use these credits to lower the electricity bills of other accounts designated by the customer.

EFFECTIVE DATE: Upon passage

**VIRTUAL NET METERING EQUIPMENT**

Under the bill, electric distribution companies (Connecticut Light & Power and United Illuminating) must interconnect with and provide virtual net metering equipment to any “virtual net metering facility” that requests it. The bill defines these facilities as a customer-owned Class I renewable energy source (solar, wind, fuel cells, etc.) that can generate up to two megawatts of electricity. The customer must be one

of the electric company's in-state retail end-users and within the same service territory as the other accounts to which it will distribute credits.

As under the current net metering law, the bill requires the virtual net metering equipment to be able to (1) measure the electricity consumed from the electric company's facilities; (2) deduct the amount of electricity the customer produced, but did not consume; and (3) calculate the customer's net production or consumption for each monthly billing period. The bill does not specify who must pay for the equipment and associated installation services.

## **BILLING**

Under the bill, a customer participating in virtual net metering can designate as many as five other "beneficial accounts" that will receive the billing credits when the customer produces more electricity than he or she uses. These accounts must all be in-state retail end users and in the same electric company service territory as the customer. The customer must notify the electric company about the other accounts in writing at least 60 days before the generating facility begins operating. The customer can only amend the list of accounts once a year.

When the customer produces more electricity than he or she uses in a monthly billing period, the bill requires the electric company to bill the customer for zero kilowatt hours (kwh). For each extra kwh produced, the electric company must assign a credit that equals the retail kwh cost the customer would otherwise have been charged. The credits are then used to reduce the charges on the beneficial accounts in the next billing period, although no account can be reduced below zero kwh.

If any unused credits remain after the electric company has reduced all of the beneficial accounts to zero kwh, the bill requires the electric company to carry them forward from one monthly billing period to the next until the end of the calendar year. At the end of each year the company must pay the customer for any unused credits at the retail electric generation rate. The bill does not specify how the applicable

retail rate will be determined. Current law requires electric companies to compensate net metering customers for their excess generated power at the wholesale electric generation rate.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable

Yea 22      Nay 0      (03/22/2011)